

## Breeding Livestock Policy

### 1. Introduction

Australia has a long history of exporting breeder livestock to countries around the world. As noted by Nigel Austin in *The Australian Livestock Export Trade: From the First Fleet to the World's Greatest Livestock Breeding Country*, Australia has effectively operated as a “stud farm to the world”, supported by very good genetics and Australia’s disease and health status.<sup>1</sup>

Australian breeder livestock are generally imported for one of two reasons; either to enter commercial operations (corporate dairies, beef breeding enterprises, breeding sheep and goat enterprises) or to deliver on public policy under small holder / poverty alleviation aid & development programs, often funded by the Governments of our trading partners or in collaboration between Governments such as the Indonesian red meat & cattle partnership.

This document outlines the Australian Livestock Exporters’ Council’s (ALEC) policy on the export of breeding livestock, supported by a risk register and checklists which are regularly reviewed and updated by a dedicated ALEC committee and independent advice.

### 2. Importing entities and associated risks to animal welfare

#### 2.1. Commercial operations

Commercial operations receiving breeding livestock from Australia are generally new or expanding large-scale, intensive corporate enterprises. These enterprises have access to modern technology and management that recognises the importance of animal health and welfare and its relationship to productivity. As a result, the overall risk to welfare is low. There are, however, commercial operations that are not large scale and the associated risk to welfare is higher.

#### 2.2. Government development programs (smallholder)

Breeding livestock imported from Australia under Government development programs often have strong political support to deliver public policy focused on self-sufficiency, food security, poverty alleviation, human nutrition and empowerment of rural women. As acknowledged by the Food and Agriculture Organisation of the United Nations (FAO), agriculture, including livestock production, is one of the most important sectors for poverty alleviation.<sup>2</sup>

Many nations look to Australia to supply livestock to small holder programs for the purposes of building domestic herds and production capabilities to deliver on such policies. The welfare risks for livestock imported under Government development programs, generally to supply to smallholder farming operations, are however, higher than for livestock in large commercial breeder operations. Small holders are defined

---

<sup>1</sup> Austin, N. 2011. *The Australian Livestock Export Trade: From the First Fleet to the World's Greatest Livestock Breeding Country*.

<sup>2</sup> FAO. 2012 *Livestock sector development for poverty reduction: an economic and policy perspective – Livestock's many virtues*, J. Otte, A. Costales, J. Dijkman, U. Pica-Ciamarra, T. Robinson, V. Ahuja, C. Ly and D. Roland-Holst. Rome

typically by the scale of operations and the type of participants, predominantly local farmers or small farmer cooperatives receiving between 1 to 100 head.

These programs, particularly across South-East Asia, face a number of challenges in providing the level of care expected in Australian production systems due to a number of factors including:

- low nutritional value of readily available feeds,
- limited area of productive land and competition for resources (feed, water),
- lack of financial resources,
- inadequate quarantine and farm infrastructure,
- low farmer literacy,
- farmer level of commitment,
- poor industry training, and
- a lack of essential extension services and materials.

The welfare risk for livestock exported from Australia to Government development programs needs to be considered and should be benchmarked against welfare practices expected by the World Organisation for Animal Health (OIE).

### *2.3. Standards and benchmarks*

The welfare of livestock exported to commercial breeder operations needs to be considered and should be benchmarked against welfare recommendations outlined by the OIE.

All countries to which Australia exports livestock are signatories to the OIE, accepting international animal welfare recommendations. Importing countries have obligations under OIE recommendations relating to animal welfare in production systems, including that:

- Livestock should be provided with access to an appropriate quantity and quality of balanced nutrition that meets their physiological needs.
- Management of cattle should take into account the social environment as it relates to animal welfare
- Livestock should have sufficient space to lie down and rest at the same time
- Husbandry procedures should be performed in such a way as to minimise any pain and stress to the animal.
- There should be an effective programme for the prevention and treatment of diseases
- Livestock should be protected as much as possible from predators.
- Protection from extreme weather conditions should be provided when these conditions are likely to create a serious risk to the welfare of cattle, particularly in neonates and young cattle and others that are physiologically compromised. This could be provided by natural or man-made shelter structures.

These recommendations align closely with acceptable animal welfare practices for livestock in Australia, as outlined in Australian Animal Welfare Standards and Guidelines for cattle, sheep and land transport.<sup>3</sup> It is these standards by which the Australian community judges the welfare of Australian livestock.

#### 2.4. Risk identification and mitigation

There are a range of risks, particularly for small holder government programs, that if not appropriately addressed can lead to poor animal welfare outcomes. These include:

- The livestock sourced for export are not a suitable type or breed to adapt to the environmental conditions experienced during the voyage and/or importing country causing heat or cold stress, leading to poor productivity, reduced reproductive performance, morbidity or in extreme cases mortalities.
- The nutritional requirements for the class and type of livestock are unable to be satisfied due to insufficient quality or quantity being available, leading to poor productivity, malnutrition, reduced reproductive performance, abortion and in extreme cases mortality.
- Insufficient appropriately skilled or experienced people to handle and provide adequate husbandry and medical care to livestock leading to poor productivity, possible malnutrition, reduced reproductive performance, abortion, morbidity and in extreme cases mortality.
- Inappropriate facilities for handling livestock species can result in sick and injured animals not being attended to and poor hygiene and husbandry.
- The exported livestock are potentially immunologically naive to importing country specific diseases that can cause significant production loss, abortion, morbidity and in extreme cases mortality.

With appropriate planning and due diligence undertaken by the exporter, in conjunction with government support where applicable, these risks that can result in poor animal welfare outcomes can be satisfactorily mitigated and managed.

### 3. The role of Government

An Industry / Government Implementation Group's 2013 report *Breeder Livestock Exports* (the IGIG report) recommended that '*The Australian Government, with the support of the live export industry will continue to pursue continuous improvement in the implementation of international animal welfare standards through the OIE*'.

The IGIG report concluded that the Australian Government is best placed to provide advocacy for improvements to animal welfare in importing countries. In recognising that industry is best placed to work with its customers to deliver good animal welfare outcomes in market, there is a role for Government in supporting industry in this endeavour by developing strong partnerships via bilateral commitments to animal welfare. The role of government is also to set expectations concerning animal welfare with the importing country and to liaise with the

---

<sup>3</sup> Australian Animal Welfare Standards and Guidelines – Cattle, Sheep. Animal Health Australia (AHA) 2016.  
Australian Animal Welfare Standards and Guidelines – Land Transport of Livestock. AHA 2012.

Australia livestock export industry early when engaging on livestock-based aid programs. It is critical that animal welfare is considered at the forefront of any of these discussions.

The export of breeding livestock for the purpose of food security aligns with Australia's aid policy to contribute to greater prosperity, reduce poverty and promote stability. Australia's current aid program focuses on developing innovative models for delivering development outcomes, including utilising private sector resources to leverage finance and ideas. In addition, agriculture is identified as a priority sector under the current aid program which specifically promotes support for small-scale farmers to 'meet their livelihood and food security needs'<sup>4</sup>

Importing Country Governments also have responsibility for and interest in welfare outcomes. As noted above, all countries to which Australia exports livestock are signatories to the OIE and have therefore, adopted animal welfare standards relating to the transport and slaughter of livestock.

The OIE provides the Australian Government with an international platform to advocate improvements to global animal welfare and support member countries in meeting their commitments under the OIE.

#### **4. The role of industry**

The IGIG report recommended that exporters have responsibility for completing due diligence prior to export.<sup>5</sup> The *Dairy Livestock Export Animal Welfare Stocktake*, commissioned by Meat & Livestock Australia in 2016, also suggests that downstream animal welfare risks can be reduced with appropriate due diligence, which seeks assurances that livestock will be handled and managed in accordance with OIE animal welfare standards.<sup>6</sup> Neither of these publications define what 'due diligence' involves and how it can be applied to different markets, given varying levels of risk to welfare. This is a gap that this policy seeks to fulfil.

The due diligence process should provide reasonable confidence that, through demonstrated ability, the first destination property is able to provide assurance that:

- Livestock will have their needs met through suitable and adequate care including nutrition, reproductive health, biosecurity procedures
- Management have the necessary knowledge, skills and experience in supporting the health and welfare of breeder livestock;
- Livestock will be handled in accordance with OIE animal welfare standards; and
- Facilities are suitable for the type of livestock and climatic conditions

While a due diligence process does not guarantee that acceptable animal welfare outcomes will always be achieved, it ensures that Australian exporters are doing their utmost to effectively mitigate risk to welfare in importing countries.

---

<sup>4</sup> Commonwealth of Australia, DFAT, *Australian aid: promoting prosperity, reducing poverty, enhancing stability*, June 2014.

<sup>5</sup> Industry Government Implementation Group, *Report to Australian Government Minister for Agriculture, Fisheries and Forestry. Breeder Livestock Exports*, April 2013.

<sup>6</sup> Meat and Livestock Australia (2016). *Dairy Livestock Export Animal Welfare Stocktake*

#### 4.1. ALEC policy - Exporter responsibility and due diligence

In recognition of the unique challenges associated with the supply of breeding livestock to international destinations, particularly that the livestock become the sovereign property of the importing country/importers on arrival, ALEC policy is for exporter members or their representatives to undertake the following prior to the export of breeding livestock:

- Undertake reasonable due diligence in the planning, preparation and voyage, and in the importing program's capacity to deliver a consistent and acceptable standard of animal health, welfare and care. Reasonable due diligence is considered:
  - Completion of a risk assessment appropriate for the species, destination and importing entity by an appropriately experienced/qualified representative, including veterinary advice (the ALEC breeding livestock risk register at Attachment 1 is provided as a risk assessment guide);
  - Documentation of adopted risk mitigations and associated activities within the risk assessment as appropriate; and
  - If applicable, completion of the cold climate checklist (Attachment 2), using associated explanatory document (Attachment 3), ensuring that the benchmark for animal care is at least OIE standard.
- *For small holder/government programs* - Ensure agreements and protocols are in place between the exporter and importer (and the funding government if necessary) allowing either party to move / transfer livestock if any adverse animal welfare outcomes are observed within 12 months of export. If required, ALEC and/or LiveCorp may be able to provide assistance.
- *For small holder/government programs* - The exporter commits to 12 months of oversight and duty of care of breeding livestock supplied to the importing country, targeting the maintenance of a body condition score of  $\geq 2$ .
- *For commercial operations (non-small holder/government programs)* – While these operations are recognised as lower risk due to the commercial drivers to achieve productivity, exporters should review the specific market risks and complete applicable due diligence checklists (the ALEC breeding livestock risk register at Attachment 1 is provided as a risk assessment guide).

#### 5. What industry needs from the Australian Government

For small holder/government programs, industry needs the Australian Government to:

- Recognise that exporters have very limited control of animals once distributed to importing country facilities, irrespective of the due diligence, risk mitigation and oversight undertaken.
- Undertake Government to Government discussions as early into the process as feasible to promote a shared ownership of any issues that confront these programs and:

- Carefully manage expectations about Australia’s capacity to supply so opportunities are not lost, and exporters are not placed in a position where they are pressured to supply.
  - Incorporate mechanisms to assess the distribution of the animals as well as provision of infrastructure, extension services and feed for the animals.
  - Consider previous program review outcomes, acknowledging and discussing identified failings or challenges.
  - Undertake preparatory engagement to ensure basic requirements necessary to support import programs are understood and addressed.
- Invest with the importing country Government to support programs and its broader food security objectives.

## 6. Background

Since 2011 Australia’s feeder and slaughter livestock export industry has operated under the Exporter Supply Chain Assurance System (ESCAS). Under ESCAS, exporters of feeder and slaughter livestock must demonstrate control of the supply chain, providing assurances that animals are handled and slaughtered in accordance with World Organisation for Animal Health (OIE) animal welfare standards. In order to provide assurances of sound animal welfare outcomes, livestock traceability to the point of slaughter is a core pillar of ESCAS.

ESCAS does not apply to livestock exported for the purposes of breeding as breeder livestock are not slaughtered soon after they arrive in market (often many years after) and may move between facilities during their lifetime, exporters are unable to maintain reasonable traceability or ‘line of sight’ on those animals.

In 2011, the Australian Government commissioned an independent review of the livestock export industry (The Farmer Review) which recognised that;

*‘There are practical difficulties with the extension to breeders of the new arrangements to be utilised for feeder/slaughter livestock. It would be difficult, costly and intrusive for the Australian Government/industry to maintain a ‘line of sight’ arrangement for breeders, particularly over the many years that breeders may live prior to being sold for slaughter. The Review does not believe that it is practicable or reasonable to impose that requirement on regulators or industry. The Review considers that a position on the question whether there is a need for any additional conditions for the trade in breeder livestock species should be enunciated by the Australian Government to give clarity to the Australian public and industry.’<sup>7</sup>*

The Farmer review recommended that;

*‘The Australian Government should articulate an approach to the question whether there is a need for any additional conditions for the export trade in breeder livestock.’*

---

<sup>7</sup> Commonwealth of Australia. 2011. *Independent Review of Australia’s livestock Export Trade.*